

March 14, 2022

Full-Year Results 2021

Novolog Group



Forward Looking Statement

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Delivering Health

Novolog operates to improve the field of healthcare in Israel and adapt it to the challenges of the future through three key segments: Healthcare logistics, Homecare and personalized healthcare and Medical information technological tools



Founded in 1966



Listed on the Tel-Aviv Stock Exchange in 2017 (TA125)



Major stakeholders:

Udi Puzis, Mori Arkin, Eli Dahan and institutional investors



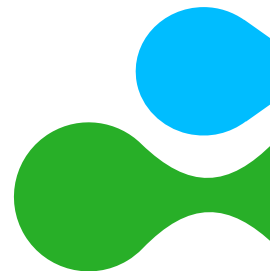
Approximately 800 employees



Strong, stable, debt-free financial balance



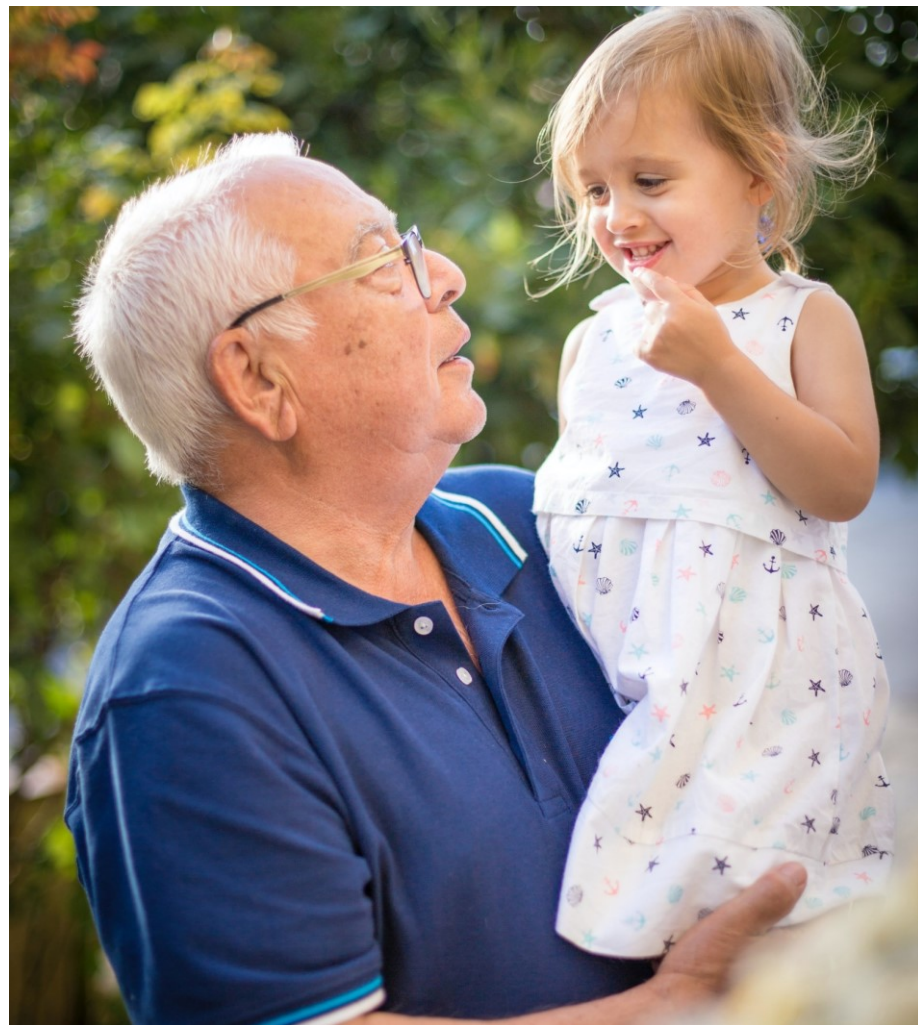
Dividend distribution policy on 70% of net profit



Our Vision is Based on Our Values

Creating the future of healthcare

The Novolog Group is committed to be a leading healthcare services group in Israel and to support patients, physicians and healthcare organizations in Israel and internationally through our innovative, advanced, technology-based basket of products and services that are adaptable to trends and anticipated changes in the healthcare services sector



Well-defined Strategy to Drive Growth



Operate complex and supplementary logistics services for medicines, medical devices, and clinical trials



Reduce public healthcare organizations' costs, thereby helping them improve the quality of the services that they provide



Improve the public's access to high-quality, innovative, and personalized healthcare services



Provide physicians and patients with the advanced technological resources they need for high-quality, personalized healthcare





Logistics

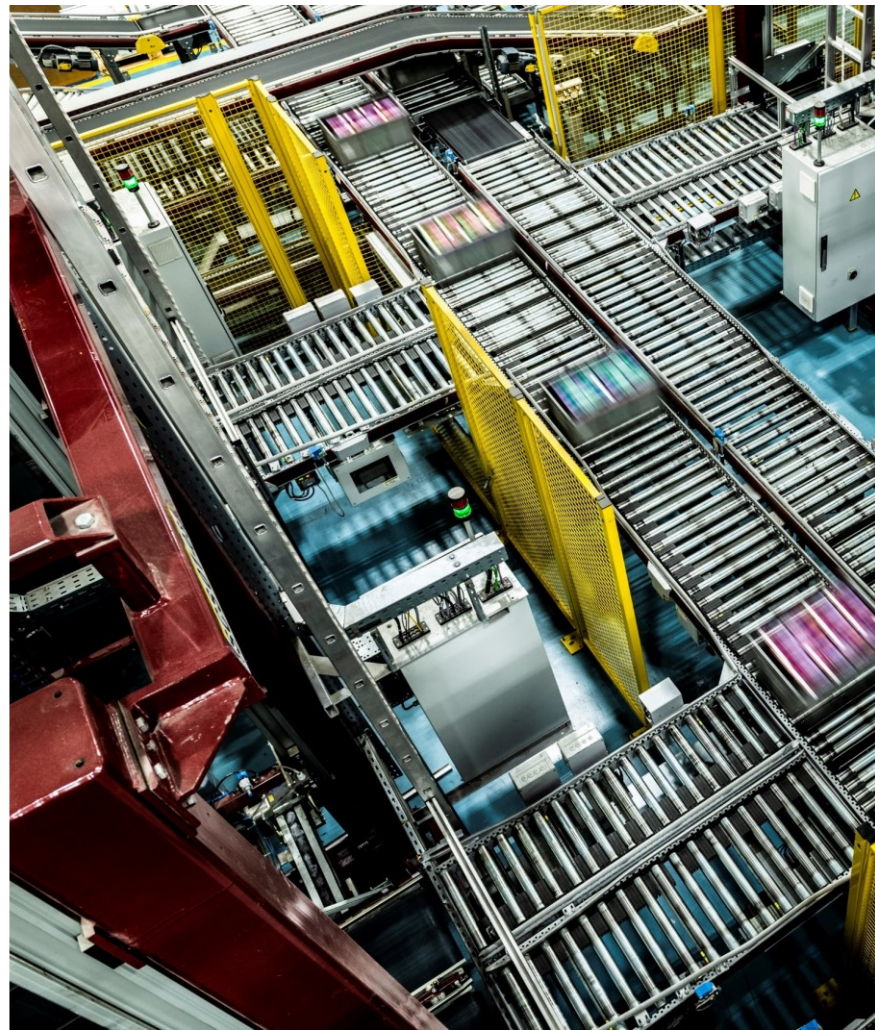
Complex logistics services including import and distribution of pharmaceuticals and medical devices, as well as clinical trial logistics management

Healthcare

High quality medical care based on innovation, compassion, and personalized care

DigitalHealth

Medical information technological tools, and digital services to patients, physicians, and medical institutions



Senior Strategic Logistics Partner of Global Pharma and Medical Device companies

Novolog group is a senior strategic logistics partner of global pharma companies operating in Israel. Novolog uses state-of-the-art technologies to operate a variety of services for these companies, while complying with the most stringent quality assurance procedures



The logistics division allows healthcare professionals to do their best work by providing a comprehensive set of customized advanced supply chain, management services and solutions

Pharma logistic services

Specializes in storage, distribution and logistic services for the pharmaceutical, Medical Device and narcotics industries and operates a state-of-the-art logistics center

Clinical trial logistical services

While adhering to the strictest quality control procedures, Novolog delivers the medication and medical devices for hundreds of clinical trials each year, including comprehensive logistical support

Supplementary pharma and biotech services

Registration, regulatory processes, translation, Responsible Pharmacist services, national-level pharmacovigilance, clinical trial application submission, and more

EO sterilization

Novolog has sterilization chambers in a range of volumes, all using advanced EO sterilization technologies, specially designed for the medical device industry



Healthcare

by NovoLog



Improving Quality of Care

Novolog's Healthcare Division works with hospitals, leading insurance providers, pharmaceutical companies, and all of the Israeli national HMOs to provide technology-based healthcare services to patients in their homes and in the community

Hundreds

of patients intubated at home

Hundreds

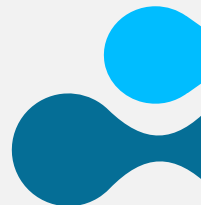
of home medical visits per month

Dozens

treatment programs for chronically ill patients

Dozens

of patients in at-home hospice care



Improving Healthcare Access and Convenience



Home Care Services

At-home hospitalization, ambulatory homecare, providing respiratory care, sleep medicine services.



Healthcare Management

Building and operating customized management systems for the insurance sector and manage patient support programs



Distribution

Sales and distribution of medication to institutional customers



National Healthcare Projects

Partnerships with national organizations

Making Healthcare Personal



Personalized Concierge Medicine

Established Israel's first personalized healthcare management center, providing comprehensive testing and expert treatment services in clinics and in patients' homes., as well as operating Israel's largest private gastroenterology, hepatology, and nutrition clinic

Advanced Ophthalmology Centers

Operates Israel's largest network of clinics dedicated exclusively to eye care and surgery, with over 50 leading ophthalmologists performing more than 10,000 surgeries per year

Full Private Laboratory Services

Manages the largest private medical laboratory in Israel, providing full laboratory services to medical and veterinary centers, private patients, research institutions, and the Israeli and international medical and biotech industries



Enabling Patient Access

Novolog's digital health division is providing patients with unprecedented access to treatment information, scheduling, and communication with care providers, giving them newfound control over their therapeutic process and their interactions with the medical system

The result: a high-quality, accessible treatment experience that goes beyond public medical care



Millions

of content views per month

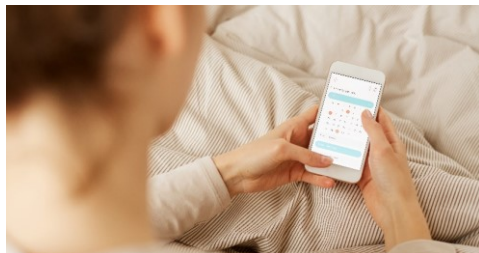
Thousands

of telemedicine video appointments

Millions

of visits scheduled through smart scheduling

Technological Tools Suitable for the New Era of Healthcare Services



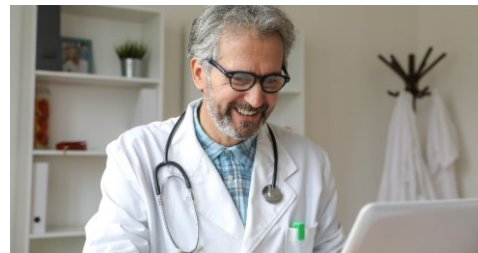
Smart Scheduling platform

- Enables patient self-scheduling
- Customizable
- Minimizes no-shows



Telemedicine platform

- Video consultations
- Digital prescriptions
- Real-time file sharing



Medical content platforms

- Healthcare provider reviews
- Expert information for patients
- Forums and search features



International Healthcare



Growth Through Innovation

Novolog has partnered with medflex, one of Germany's leading telemedicine providers

medflex is a fast-growing telemedicine company based in Konstanz, Germany. The certified medical messenger and video consultation service enables doctors and other health professionals to communicate with patients and among each other through one seamless, intuitive, and secure platform. Its reimbursable video consultation solution is end-to-end encrypted and certified according to the guidelines by the association of Statutory Health Insurance Physicians (KBV)

The health sector in Germany is the largest of its kind in Europe and is considered one of the most promising markets with high growth-potential globally. Healthcare spending in Germany exceeds €400 Billion, in a population amounting to 83 million people. In 2019, the German parliament passed the Digital Care Act (DVG) to accelerate digitalization and innovation within the German healthcare market. The act also paves the way to broaden usage and reimbursable of digital health applications, such as medflex' telemedicine solution

The last year has led to a steep increase in the usage of video consultations among physicians. Thus, telehealth has rapidly evolved from a nice-to-have into a necessity for doctors as well as patients

Financial Overview

FY 2021



- **In March 2022**, the company announced distribution of dividend in the amount of NIS 15.4 million
- **In 2021**, the company announced distribution of dividend in the amount of NIS 32 million
- **In February 2022**, the company acquired 55% of the shares of Ein Tal in the amount of NIS 32 million
- **In December 2021**, a subsidiary company exercised a call option to purchase the remaining shares of Odoro in the amount of NIS 8 million
- **In September 2021**, the company completed the purchase of the remaining shares of Dor in the amount of NIS 5 million
- **In September 2021**, a subsidiary company acquired Gastromed

2021

Results Excluding IFRS16

	(NIS millions)		
	2021	2020	% Change
Revenues	1,255.2	1,133.6	10.7%
Gross Profit	148.9	128.8	15.6%
Operating Profit	67.6	54.7	23.6%
Net Profit	47.2	40.2	17.5%
Adjusted EBITDA (*)	99.1	84.8	16.9%

GROSS PROFIT

+16%

OPERATING PROFIT

+24%

ADJUSTED EBITDA

+17%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

2021

Results Including IFRS16

	(NIS millions)		
	2021	2020	% Change
Revenues	1,255.2	1,133.6	10.7%
Gross Profit	149.0	129.3	15.2%
Operating Profit (**)	69.9	61.1	14.5%
Net Profit (**)	44.8	40.6	10.5%
Adjusted EBITDA (*)	119.3	105.2	13.4%

GROSS PROFIT

+15%

OPERATING PROFIT

+14%

ADJUSTED EBITDA

+13%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

(**) In 2020, a non-recurring capital gain of NIS 4 million was recognized as a result of IFRS16. The operating profit after neutralizing the non-recurring capital gain increased by NIS 12.9 million, an increase of 23%. The net profit after neutralizing the non-recurring capital gain increased by NIS 8.3 million, an increase of 23%

Q4 2021

Results Excluding IFRS16

	(NIS millions)		
	Q4 2021	Q4 2020	% Change
Revenues	299.7	273.8	9.5%
Gross Profit	38.5	35.2	9.4%
Operating Profit	16.5	13.9	18.4%
Net Profit	10.8	9.1	18.5%
Adjusted EBITDA (*)	25.1	21.8	15.1%

GROSS PROFIT

+9%

OPERATING PROFIT

+18%

ADJUSTED EBITDA

+15%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

Q4 2021

Results Including IFRS16

	Q4 2021	Q4 2020	(NIS millions) % Change
Revenues	299.7	273.8	9.5%
Gross Profit	38.2	36.1	6.0%
Operating Profit	16.8	14.4	16.2%
Net Profit	9.8	8.3	18.1%
Adjusted EBITDA (*)	30.2	27.1	11.4%

GROSS PROFIT

+6%

OPERATING PROFIT

+16%

ADJUSTED EBITDA

+11%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

2021

Results By Segment Excluding IFRS16

(NIS millions)

	Revenues			Adjusted EBITDA		
	2021	2020	%	2021	2020	%
Logistics	1,097.8	1,028.5	7%	63.1	53.8	17%
Health Care (*)	140.8	98.3	43%	27.9	23.2	20%
Digital Health	25.8	22.8	13%	8.1	7.8	5%
Intercompany Transactions	(9.2)	(16.0)		-	-	
Total	1,255.2	1,133.6	11%	99.1	84.8	17%

(*) Salus company is consolidated as of the fourth quarter of 2020, AML company is consolidated as of the second quarter of 2021 and Gastromed company is consolidated as of the fourth quarter of 2021

Results By Segment Excluding IFRS16

(NIS millions)

	Revenues			Adjusted EBITDA		
	Q4 2021	Q4 2020	%	Q4 2021	Q4 2020	%
Logistics	254.5	247.6	3%	16.3	13.6	20%
Health Care (*)	38.5	27.7	39%	6.5	6.0	9%
Digital Health	6.9	6.1	13%	2.3	2.2	4%
Intercompany Transactions	(0.2)	(7.6)		-	-	
Total	299.7	273.8	9%	25.1	21.8	15%

(*) Salus company is consolidated as of the fourth quarter of 2020, AML company is consolidated as of the second quarter of 2021 and Gastromed company is consolidated as of the fourth quarter of 2021

2021

Balance Sheet Including IFRS16

(NIS millions)

	31/12/2021	31/12/2020
Cash	239	176
Current assets	1,742	1,708
Non-current assets	546	479
Current liabilities	1,689	1,734
Non-current liabilities	169	157
Equity	430	296
Total assets	2,288	2,187

CASH

NIS **239M**

EQUITY

NIS **430M**

DEBT

NIS **1.3M**

Growth Engines



Uniquely Positioned To Deliver Value To Stakeholders

Novolog accomplished its long-range growth
plan from 3 years ago

As part of our long-range growth
plan, we estimate that Novolog will
double its Adjusted EBITDA
(Excluding IFRS16) within 4 years,
mainly from its activities in Israel





Strong financial performance

Novolog has a consistent track record of delivering strong and stable financial performance



Diversification

Future growth will be fueled by all three divisions



Responsible approach

The Company is not leveraged and invests responsibly. The Group strengthened its capital structure last year



Capital allocation priorities

Investing for continued growth and maximizing value to our shareholders

Capital Allocation Strategy for Growth



Reinvest for growth

Investing in processes and ventures that lead to organic growth and generate higher profits



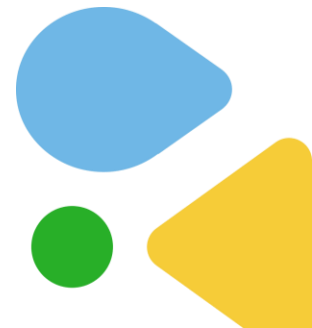
Acquisitions

Acquisitions that support our strategies



Returns to our shareholders

Dividend policy –
70% of the net profit





Thank you!

info@Novolog.co.il | www.Novolog.co.il

